

progress reports for review and comment, receive draft report(s) and company written comments for review and comment, and, prior to issuance of the audit report, verify that the objectives were met (NARUC at Appendix C, Page 11). Rather, the Act clearly states, "The auditor described in paragraph (1) shall submit the results of the audit to the Commission and to the State commission of each State in which the company audited provides service." NARUC's proposals are intrusive, compromise the efficiency of the audit, and could jeopardize the independence of the audit process. There is likewise nothing in the Act that requires specifying the requirements for Requests for Proposals (RFP) recommended by NARUC (NARUC at Appendix C, Page 9). Companies have years of experience with the audit selection process and audits, including the independent Joint Cost Audit required by Section 64.904. There is no evidence that this process has not worked and could not work with respect to the Section 272 biennial audit. In short, NARUC's intrusive, controlling details exceed the statute's requirements, would compromise the auditor's independence, and would unnecessarily add to administrative costs.

The Wisconsin PSC (at 14) also recommends the NARUC audit guidelines apply to the annual compliance reviews required by

Section 274. Wisconsin PSC fails to recognize the statutory distinction between the biennial audit mandated by Section 272 and the annual compliance review mandated by Section 274. If Congress had intended the activity to be identical, the same language would have been used in both places. There is no need to specify how the compliance reviews should be conducted (Ameritech at 27, USTA at 27, Pacific at 33).

2. ELECTRONIC PUBLISHING

There is general agreement among commenters that any separated affiliate not subject to the SEC filing requirements should furnish a report containing the same information that would be in the SEC Form 10-K, except for information that is not relevant for a company not publicly traded. However, there are minor differences about what financial statements and additional information should be included. For example, Newspaper Association of America (at 4) does not specify what information is relevant. Pacific (at 33) indicates it should include the Balance Sheet, Income Statement, and Cash Flow Statement. BellSouth proposes the inclusion of operating information including a description of financing activities and results from the annual compliance audit (BellSouth at 41). Ameritech continues to maintain that the information should be limited to the financial information (*i.e.*, Balance Sheet and

Income Statement) requirements. Ameritech further agrees with SBC that this information should be unaudited (SBC at 49).

IV. Conclusion

The Commission should not be diverted from evaluating whether there is a continuing need for the application of the Joint Cost Rules given the effective constraints of price caps and competition with matters outside the scope of this NPRM. With the deregulatory policy framework mandated by the Act, the Commission should use this opportunity to forbear from regulation or streamline the rules as proposed by USTA. Or, at a minimum, the rules should be left as they are.

Respectfully submitted,



ALAN N. BAKER
Attorney for Ameritech
2000 West Ameritech Center Drive
Hoffman Estates IL 60196
(847) 248-4876

September 10, 1996

CERTIFICATE OF SERVICE

I, Todd H. Bond, do hereby certify that a copy of the foregoing Reply Comments of Ameritech has been served on the parties listed on the attached service list, via first class mail, postage prepaid, on this 10th day of September 1996.

By: Todd H. Bond
Todd H. Bond

CHARLES C HUNTER
CATHERINE M HANNAN
ATTORNEYS FOR
TELECOMMUNICATIONS RESELLERS
ASSOCIATION
1620 I STREET NW SUITE 701
WASHINGTON DC 20006

ALBERT HALPRIN
JOEL BERNSTEIN
RANDALL COOK
ATTORNEYS FOR
THE YELLOW PAGES PUBLISHERS ASSOC
1100 NEW YORK AVENUE NW SUITE 650E
WASHINGTON DC 20005

RUTH S BAKER BASTTIST
ATTORNEY FOR
VOICE TEL
SUITE 1007
5600 WISCONSIN AVENUE
CHEVY CHASE MD 20815

LEON M KESTENBAUM
JAY C KEITHLEY
MICHAEL B FINGERHUT
ATTORNEYS FOR
SPRINT CORPORATION
1850 M STREET NW
WASHINGTON DC 20036

WILLIAM B BARFIELD
M ROBERT SUTHERLAND
ATTORNEYS FOR
BELLSOUTH TELECOMMUNICATIONS INC
BELLSOUTH CORPORATION
SUITE 1700
1155 PEACHTREE STREET NE
ATLANTA GA 30309-3610

CHARLES D GRAY
GENERAL COUNSEL
JAMES BRADFORD RAMSAY
ASSISTANT GENERAL COUNSEL
NATIONAL ASSOCIATION F REGULATORY
UTILITY COMMISSIONERS
P O BOX 684
1201 CONSTITUTION AVENUE SUITE 1102
WASHINGTON DC 20044

ALAN BUZACOTT
DON SUSSMAN
MCI TELECOMMUNICATIONS CORP
1801 PENNSYLVANIA AVENUE NW
WASHINGTON DC 20006

GENEVIEVE MORELLI
VICE PRESIDENT & GENERAL COUNSEL
COMPETITIVE TELECOMMUNICATIONS
ASSOCIATION
SUITE 220
1140 CONNECTICUT AVENUE NW
WASHINGTON DC 20036

DANNY E ADAMS
STEVEN A AUGUSTINO
ANDREA D PRUITT
ATTORNEYS FOR
COMPETITIVE TELECOMMUNICATIONS
ASSOCIATION
1200 19TH STREET NW SUITE 500
WASHINGTON DC 20036

MICHAEL S SLOMIN
ATTORNEY FOR
BELL COMMUNICATIONS RESEARCH INC
445 SOUTH STREET
MORRISTOWN NJ 07960

JACK B HARRISON
ATTORNEY FOR
CINCINNATI BELL TELEPHONE COMPANY
FROST & JACOBS
2500 PNC CENTER
201 EAST FIFTH STREET
CINCINNATI OH 45202

THOMAS E TAYLOR
SR VICE PRESIDENT GENERAL COUNSEL
CINCINNATI BELL TELEPHONE COMPANY
201 EAST FOURTH STREET 6TH FLOOR
CINCINNATI OH 45202

RICHARD J ARSENAULT
ATTORNEY FOR
PUERTO RICO TELEPHONE COMPANY
DRINKER BIDDLE & REATH
901 FIFTEENTH STREET NW
WASHINGTON DC 20005

ALBERT H KRAMER
ROBERT F ALDRICH
ATTORNEYS FOR
AMERICAN PUBLIC COMMUNICATIONS
COUNCIL
2101 L STREET NW
WASHINGTON DC 20554-1526

MARK C ROSENBLUM
PATER H JACOBY
JUDY SELLO
ATTORNEYS FOR
AT&T CORP
295 NORTH MAPLE AVENUE
BASKING RIDGE NJ 07920

GENE C SCHAERR
JAMES P YOUNG
ATTORNEYS FOR
AT&T CORP
1722 EYE STREET NW
WASHINGTON DC 20006

DANNY E ADAMS
STEVEN A AUGUSTINO
ATTORNEYS FOR
ALARM INDUSTRY COMMUNICATIONS
COMMITTEE
1200 NINETEENTH STREET NW SUITE 500
WASHINGTON DC 20036

RICHARD MC KENNA HQE03J36
ATTORNEY FOR
GTE SERVICE CORPORATION
P O BOX 152092
IRVING TX 75015-2092

GAIL L POLIVY
ATTORNEY FOR
GTE SERVICE CORPORATION
1850 M STREET NW SUITE 1200
WASHINGTON DC 20036

DAVID S J BROWN
SENIOR VICE PRESIDENT PUBLIC POLICY
AND GENERAL COUNSEL
NEWSPAPER ASSOCIATION OF AMERICA
529 14TH STREET NW SUITE 440
WASHINGTON DC 20045-1402

JAMES D ELLIS
ROBERT M LYNCH
DAVID F BROWN
ATTORNEYS FOR
SBC COMMUNICATIONS INC
175 E HOUSTON ROOM1254
SAN ANTONIO TX 78205

DURWARD D DUPRE
MICHAEL J ZPEVAK
ROBERT J GRYZMALA
ATTORNEYS FOR
SOUTHWESTERN BELL TELEPHONE
COMPANY
ONE BELL CENTER ROOM 3520
ST LOUIS MO 63101

MARY MC DERMOTT
LINDA KENT
CHARLES D COSSON
KEITH TOWNSEND
ATTORNEYS FOR
UNITED STATES TELEPHONE ASSOC
1401 H STREET NW SUITE 600
WASHINGTON DC 20005

SONDRA J TOMLINSON
ATTORNEY FOR
U S WEST INC
1020 19TH STREET NW SUITE 700
WASHINGTON DC 20036

MARLIN D ARD
LUCILLE M MATES
PATRICIA L C MAHONEY
JEFFREY B THOMAS
ATTORNEYS FOR
PACIFIC TELESIS GROUP
140 NEW MONTGOMERY STREET RM 1529
SAN FRANCISCO CA 94105

MARGARET E GARBER
ATTORNEYS FOR
PACIFIC TELESIS GROUP
1275 PENNSYLVANIA AVE NW
WASHINGTON DC 20004

MAUREEN O HELMER
GENERAL COUNSEL
NYS DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA
ALBANY NY 12223-1350

LAWRENCE W KATZ
ATTORNEY FOR
THE BELL ATLANTIC TELEPHONE
COMPANIES
8TH FLOOR
1320 NORTH COURT HOUSE ROAD
ARLINGTON VA 22201

CYNTHIA B MILLER
SENIOR ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE FL 32399-0850

EMILY C HEWITT
VINCENT L CRIVELLA
MICHAEL J ETTNER
JODY B BURTON
GENERAL SERVICES ADMINISTRATION
18TH & F STREETS NW ROOM 4002
WASHINGTON DC 20405

ERIC WITTE
ATTORNEY FOR
THE MISSOURI PUBLIC SERVICE
COMMISSION
P O BOX 360
JEFFERSON CITY MO 65102

PETER ARTH JR
EDWARD W O NEILL
PATRICK S BERDGE
ATTORNEYS FOR
THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA
505 VAN NESS AVENUE
SAN FRANCISCO CA 94102

CATHERINE R SLOAN
RICHARD L FRUCHTERMAN
RICHARD S WHITT
ATTORNEYS FOR
WORLDCOM INC
D B A LDDS WORLDCOM
1200 CONNECTICUT AVE NW SUITE 400
WASHINGTON DC 20036

HERTA TUCKER
EXECUTIVE VICE PRESIDENT
FRANK MOORE
GOVERNMENT AFFAIRS DIVISION
THE ASSOCIATION OF TELEMESSAGING
SERVICES INTERNATIONAL
1200 19TH STREET NW
WASHINGTON DC 20036

CAMPBELL L AYLING
ATTORNEY FOR
NYNEX TELEPHONE COMPANIES
1111 WESTCHESTER AVENUE
WHITE PLAINS NY 10604